



Texas Department of Licensing and Regulation
920 Colorado St.
Austin, Texas 78701
Phone: (800) 803-9202

FOR IMMEDIATE RELEASE

November 19, 2018

Tela Mange

Public Information Officer

Texas Department of Licensing and Regulation

512.463.3208

“Flipping” Schemes Enable Fraudulent Insurance-Related Activity

Car owners should exercise caution when signing documents at crash scene

AUSTIN – Consumers who have been involved in an auto accident – especially those in Harris County and the surrounding area – are urged not to sign any documents relating to their vehicle until speaking to their insurance company. This includes documents that may be presented by a tow operator responsible for removing their vehicle from the accident scene.

Signing certain types of documents could involve consumers in a scheme known as “flipping.” Law enforcement agencies in Harris County and surrounding areas are reporting an increase in these types of fraud incidents.

“Flipping” is when vehicle owners at an accident scene or at a vehicle storage facility are deceived into signing documents that allow a body shop to take possession of the vehicle and charge thousands of dollars in unnecessary fees. When the insurance company refuses to pay those fees -- and the vehicle owner can’t afford to pay them -- the body shop ends up gaining ownership of the vehicle, selling it and keeping the money.

“Typically, when vehicle owners are deceived into signing these authorizations they have just been involved in automobile accidents and are susceptible to the kind of fraudulent conduct we see in flipping cases,” said Michael Shirk, a prosecutor for the Texas Department of Licensing and Regulation. “We are aware of an increase in these incidents in Harris and surrounding counties, and we urge consumers not to sign any documents before talking with their insurer.”

Texas law requires that vehicles involved in an accident be taken directly to a licensed vehicle storage facility, unless the towing company agrees to take it to a location designated by the vehicle’s owner. In an effort to protect consumers from fraud, the law also limits the storage fees that licensed vehicle storage facilities can charge.

However, body shops and the fees that they charge are not similarly regulated. When a tow truck operator takes a vehicle directly to a body shop following an accident, or when a licensed vehicle storage facility

Contact: Tela Mange | Public Information Officer | Texas Department of Licensing & Regulation

512-463-3208 | tela.mange@tdlr.texas.gov | media.inquiries@tdlr.texas.gov | www.tdlr.texas.gov

TDLR Customer Service | (512) 463-6599 | Toll-Free (in Texas) | (800) 803-9202 | Relay Texas-TDD: (800) 735-2989

Follow us on [Facebook](#), [Twitter](#) and [LinkedIn](#)



Texas Department of Licensing and Regulation
920 Colorado St.
Austin, Texas 78701
Phone: (800) 803-9202

transfers a vehicle to a body shop, the vehicle owner can end up paying thousands of dollars in unnecessary costs to recover the vehicle.

A working group for the TDLR Towing and Vehicle Storage Advisory Board will be recommending changes to the program's enforcement plan to allow the Department to more effectively and aggressively investigate and prosecute instances of "flipping."

Anyone who has additional information on cases within the city of Houston limits, or who may be a victim, is urged to contact the HPD Auto Dealers Detail at 832-394-4800 or 832-394-4969 (after-hours) or send an email to hp.autodealers@houstonpolice.org. For incidents outside the city of Houston limits, but within Harris County, individuals can contact the Harris County District Attorney's Office, Consumer Fraud Division, at 713-274-555 or file their complaint on-line at <https://www.harriscountyda.com/complaint-form>.

Additionally, consumers may file a complaint online through the TDLR website (<https://www.tdlr.texas.gov/Complaints/>) against a tow company, tow operator, or a vehicle storage facility.

About TDLR

TDLR provides oversight for a broad range of occupations, businesses, facilities, and equipment in Texas. The agency protects the health and safety of Texans by ensuring they are served by qualified, licensed professionals. Inspections of individuals, businesses, and equipment are done on a regular basis to safeguard the public. Currently, the agency manages 39 business and occupational licensing programs with more than 800,000 licenses across the state.

Visit TDLR's [website](#) for more information and resources. You can search the [TDLR licensee database](#), and also find [past violations](#) in which a final order was issued against companies or individuals. TDLR's Customer Service line is available anytime between 7 a.m. until 6 p.m., Monday through Friday, at 1-800-803-9202. TDLR representatives are fluent in English, Spanish, Vietnamese, Korean and Chinese.

##